BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
MAUI ELECTRIC COMPANY, LIMITED)

For approval of Inter-island Fuel)
Contract Amendments with Chevron)
Products Company and Tesoro Hawaii)
Corporation and to include Contract)
Amendments Costs in HECO, HELCO and)
MECO's Energy Cost Adjustment)
Clauses.

DOCKET NO. 04-0129

<u>ORDER NO. 21108</u>

Filed July 8, 2004

At 8:00 o'clock A.M.

STATE AND CONSUMER APPAIRS AND

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

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Amendments Costs in HECO, HELCO and)
MECO's Energy Cost Adjustment)
Clauses.

Docket No. 04-0129 Order No. 21108

I.

Introduction

On May 28, 2004, HAWAIIAN ELECTRIC COMPANY, ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), MAUI ELECTRIC COMPANY, LIMITED ("MECO"), (jointly referred to herein as "Applicants" or the "Companies"), filed an application requesting the commission to approve contract amendments for the purchase of No. 6 Industrial Fuel Oil (NO. 6 Fuel Oil), No. 2 Diesel Fuel ("Diesel") and Jet fuel from Chevron Products a Division of Chevron U.S.A. Inc. ("Chevron") Company, Tesoro Hawaii Corporation ("Tesoro"). Applicants further request commission approval to include all costs incurred by HECO, HELCO, and MECO pursuant to the contracts for the purchase of fuel, terminaling and handling fees, throughput fees, and storage and transportation fees, in Applicants' respective Energy Adjustment Clauses to the extent that the costs

recovered in Applicants' respective base rates, pursuant to Hawaii Administrative Rules § 6-60-6.

Applicants served copies of the application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate").

The commission finds that establishing a procedural schedule at this juncture would aid in the efficient and timely disposition of the instant proceeding. Thus, the commission concludes that Applicant and the Consumer Advocate should meet to formulate the issues, procedures and schedule with respect to this proceeding, to be set forth in a stipulated scheduling order that shall be submitted for commission approval 20 days from the date of this order. In the alternative, if the parties are unable to stipulate to such order, we conclude that each party shall submit a proposed scheduling order for the commission's consideration 20 days from the date of this order.

II.

Order

THE COMMISSION ORDERS that Applicants and the Consumer Advocate shall meet informally to formulate the issues, procedures, and schedule with respect to this proceeding, to be set forth in a scheduling order. This stipulated scheduling order shall be submitted for commission approval within 20 days from the date of this order. If unable to stipulate to such an order, each party shall submit its own proposed scheduling order

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for the commission's consideration within 20 days from the date of this order.

DONE at Honolulu, Hawaii this 8th day of July, 2004.

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

Ву

Carlito P. Caliboso, Chairman

Jayn Ista

Mayne H. Kimura, Commissioner

ву____

Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Kevin M. Katsura

Commission Counsel

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21108 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS DIVISION OF CONSUMER ADVOCACY P. O. Box 541 Honolulu, HI 96809

WILLIAM A. BONNET
VICE PRESIDENT, GOVERNMENT AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

PATSY H. NANBU DIRECTOR, REGULATORY AFFAIRS HAWAIIAN ELECTRIC COMPANY, INC. P.O. Box 2750 Honolulu, HI 96840-0001

Karen Higashi

DATED: July 8, 2004